



USAID
FROM THE AMERICAN PEOPLE

UNDERSTANDING USAID AWARDS TRAINING MODULE

SLIDE 1: Introduction

Welcome to the “Understanding USAID Awards” module of USAID’s training series. In this presentation, you will gain valuable insight into how you can work with USAID. It is for organizations with limited or no experience working with USAID.

SLIDE 2: Learning Objectives

Before you apply for USAID funding, you must first understand the types of awards the Agency uses and the rules about how they work. This information will help you know which type of award may best fit your organization, as well as help you learn what to expect as you plan to work with USAID.

In this module, you will learn three things:

- First, you will learn about the types of awards and funding mechanisms used by USAID;
- Then, we will review the phases of the award cycle; and
- Finally, you will discover how USAID staff members communicate with interested organizations about award solicitations.

SLIDE 3: Acquisition and Assistance Awards

We will start by looking at the two main categories of USAID awards: these are acquisition and assistance. We will explore the differences between these types of awards and then take a closer look at policies and guidelines that help you know how to work with USAID.

SLIDE 4: Differences between Awards

USAID uses two methods to issue awards to address different needs: acquisition (through contracts) and assistance (through grants and cooperative agreements). Each of these two categories of solicitations uses different instruments or regulations to govern its funding

arrangement. In the first section of this module we will explain acquisition awards, which result in one of several different types of contracts. We will discuss contract types in a moment.

- In an acquisition contract, USAID purchases goods and services from a contractor to implement an Activity as directed by the Agency.
 - *Acquisition* means obtaining (or acquiring) goods and services.
 - With this type of award, the U.S. Government is an involved buyer.
 - Applicants interested in acquisition awards must submit a proposal in response to a solicitation called a Request for Proposals (or an RFP). These RFPs state the requirements and explain how the Agency will evaluate and select the successful contractor.
 - Contracts are managed by a USAID Contracting Officer or CO.
- Assistance awards result in grants and cooperative agreements. In this type of award, the Agency provides funds to a recipient and has limited direct involvement.
 - *Assistance* means helping with a program for the public good.
 - With this type of award, the U.S. Government is a financial supporter, not a buyer.
 - For assistance awards, you must submit an application in response to an Annual Program Statement (an APS) or Request for Applications (an RFA), also known as a Notice of Funding Opportunity (or NOFO). These APSs and NOFOs usually have a program description and explain how USAID will evaluate and select the successful partner.
 - Assistance awards are managed by a USAID Agreement Officer or AO.

Awards in both categories must follow the U.S. Government Code of Federal Regulations. Contracts are guided by the Federal Acquisition Regulations (FAR); “2 CFR,” which is Title 2 of the Code of Federal Regulations, is where you can find U.S. Government rules on grants and agreements. USAID’s operational policies, also known as the Automated Directives Systems (or ADS), also provides policy and guidelines in Chapter 302 for contracts and Chapter 303 for grants and cooperative agreements. We will refer to these throughout the module to help you find the appropriate chapters and sections.

SLIDE 5: Award Mechanisms

When USAID selects your organization to receive an award, the type of award determines how the funds should be managed. This chart shows different types of contracts, as well as different assistance awards.

The two most common types of contracts used by USAID are cost-reimbursement contracts, with different fee methods, and fixed-price contracts. Under assistance awards, there are grants, which include fixed-amount awards, and cooperative agreements.

You can learn more about how USAID funds have been awarded by type of award and type of recipient organization in the Bureau for Management Office of Acquisition and Assistance Fiscal Year 2020 Progress Report, which is available in the “Resources” section of this module.

SLIDE 6: U.S. Government Involvement

With each type of award, the U.S. Government’s involvement and relationship with the contractor or recipient during Activity implementation—through USAID—is a little different.

- With contracts, USAID exercises a higher level of oversight through technical direction on a regular basis.
- With grants, USAID has limited oversight, but oversight is primarily on monitoring grant activities.
- With cooperative agreements, USAID has limited, pre-defined elements of involvement as stated in the agreement under the “substantial involvement” section.

It is important to make sure you read the solicitation or your contract or agreement to understand your responsibilities as a USAID contractor or award recipient and the role USAID will play during Activity implementation.

SLIDE 7: Partner Registration Requirements

Both U.S.- and non-U.S.-based organizations must complete required registrations to be eligible to become USAID contractors or award recipients. Before applying for any type of award, your organization must register and receive several different codes. Each of these registrations is free.

If you are a non-U.S.-based business, you must first apply for a NATO Commercial and Government Entity code, which is called an NCAGE code.

Once you have the NCAGE code, you can apply for a DUNS number—this stands for Data Universal Numbering System. It is a unique nine-digit number you can request for free.

U.S.-based businesses also must apply for a DUNS number before applying for USAID awards.

Finally, both U.S.-based and non-U.S.-based businesses need to register with the System for Award Management or SAM. This is the official platform or portal for registering to do business with the U.S. government. If you are a U.S.-based business, this registration will automatically generate a commercial and government entity code—also called a CAGE code.

You can learn more about USAID acronyms and terms in the “Acronym Soup” video and quick reference guide.

SLIDE 8: Acquisition Contract Types

Now that we have discussed general information about USAID awards, let us go into more detail about contracts and the rules associated with them.

SLIDE 9: Contracts

Contracts involve the U.S. Government buying supplies or services from contractors for its own use. This can be a purchase or lease. Sometimes the supplies or services already exist and sometimes they must be developed.

Examples of supplies or services range from pens and paper, information technology, printing, and health services to construction of a health clinic, technical assistance and training.

Opportunities for contracts are published on beta.SAM.gov. Profit is allowed under contracts. However, nonprofit organizations may apply for contracts and opt not to accept profit.

The rules governing USAID acquisition awards may be found in the Federal Acquisition Regulations and its supplement under the Agency for International Development Acquisition Regulations (or AIDAR).

SLIDE 10: Types of Contracts for Acquisition Awards

Now, let us review the types of contracts USAID might use.

Contract types vary according to the type or complexity of the work to be performed.

Contract types also vary according to the amount and nature of the profit incentive offered to the contractor for meeting standards or goals. Under federal acquisition rules, this kind of profit is also called a fee.

USAID’s commonly used contract types include two broad categories:

- The first type is cost-reimbursement contracts. These may include cost-plus-fixed-fee contracts or cost-plus-award-fee contracts. Milestones are not set at the beginning of the Activity, and USAID is heavily involved in its implementation. Cost-reimbursement contracts may be used when labor costs are difficult to estimate.
- The other contract type, fixed-price contracts, is often used for services and is also used to purchase and install equipment or to purchase goods or supplies. Under contracts like this, the Agency is not extensively involved in Activity implementation.

You may want to note that contracts sometimes involve a combination of contract types. For example, a cost-plus-fixed-fee contract might be offered in conjunction with a firm fixed-price contract.

SLIDE 11: Other Contracts

On occasion, USAID will use other types of contracts, such as Indefinite-Delivery, Indefinite-Quantity (or IDIQ) contracts and Blanket Purchase Agreements (or BPAs).

For IDIQs, “delivery” refers to services the U.S. Government is purchasing, while “quantity” generally signifies a certain amount or number of goods purchased. These contracts do not specify delivery or quantity at the time of the award. Rather, they are contracts USAID uses within different technical areas to simplify procurement processes for its Missions and Bureaus.

Under IDIQs, work is requested through task orders, which may be issued as fixed-price or cost-reimbursement type orders. Usually, these contracts are awarded to multiple partners to ensure there is healthy competition for each task order.

It is important to note that Blanket Purchase Agreements (BPAs) are not contracts; they do not carry the mandatory legal obligations that contracts do. They can be referred to as “agreements.” Purchase orders issued under BPAs, however, do confer legal contractual obligations to the contracting parties.

SLIDE 12: Types of Contracts Summary

To summarize, contracts are used by USAID to purchase goods and services from a contractor to implement an Activity as directed by the Agency.

Contracts vary depending on what is costed and paid for and the complexity of the work to be performed, and they can be cost-reimbursement or fixed-priced contracts.

You can find additional policy guidance in the ADS, Chapter 302.

SLIDE 13: Types of Assistance Awards

Now that we have reviewed the contract types for acquisition awards, we will examine in detail the different types of assistance awards.

SLIDE 14: Assistance Awards

You may recall that USAID uses three general types of assistance awards:

- First are grants, such as fixed-amount awards. Fixed-amount awards allow payments after you perform defined milestones.
- Next are cooperative agreements, where USAID has limited, pre-defined elements of involvement as stated in the particular agreement. Read the “substantial involvement” section of the solicitation or agreement to understand the role USAID will play.
- Finally, there are Leader with Associate (LWA) awards. According to USAID’s Automated Directives System (the ADS), a Leader with Associate award involves the issuance of a Leader Award that covers a specified worldwide Activity. The Leader Award includes language that allows a Mission or other USAID office to make one or more separate awards, called Associate Awards, to the Leader Award recipient. The Associate Award must be within the terms and scope of the program description of the Leader Award and support a distinct local or regional Activity.

For definitions and rules governing USAID grants and cooperative agreements, check the Code of Federal Regulations. We encourage you to become familiar with the 2 CFR 200 if you plan to receive and manage a grant. A link to this resource is provided in the “Resources” section at the end of this module.

SLIDE 15: Fixed-Amount Awards (FAAs)

The first type of grant you can apply for with USAID is a fixed-amount award (or FAA). These opportunities are advertised through Annual Program Statements (APSs) or a Notice of Funding Opportunity (or NOFO). The application process for a fixed-amount award is often streamlined to require only an initial concept paper.

With this type of grant, payments are made when you reach defined milestones as outlined in the grant document. In other words, payments are based on outputs rather than inputs such as costs.

USAID makes a determination about using fixed-amount awards based on the type of organizations the Agency expects to apply for funding. The maximum amounts allowed for fixed-amount awards have been uncapped—that is, a fixed-amount award can be for any amount.

As with other types of assistance, fixed-amount awards are appropriate only for certain types of activities. The activities listed as appropriate include conferences, studies, surveys, workshops, policy papers, disaster or humanitarian relief, and technical development assistance when costs can be segregated by milestone. Fixed-amount awards may not be used for infrastructure or construction projects. This rule applies to all awards under assistance.

Although this type of grant is available to existing partners, USAID aims to use fixed-amount awards to strengthen local NGOs and private-sector partners that have limited or no experience receiving and implementing Agency grants.

This enables a partner to complete grant activities while USAID helps the organization build institutional capacity. It also provides partners with an opportunity to strengthen and improve internal procedures, systems, and policies.

SLIDE 16: Cooperative Agreements

A cooperative agreement provides for substantial involvement between the Agency and the recipient during implementation of the Activity.

The level of substantial involvement USAID anticipates is relative to the project, rather than an absolute. Remember, read the “substantial involvement” section of the solicitation or your agreement for what substantial involvement means for your award. The Agency must always have some involvement in assistance awards, for example by monitoring performance, reviewing reports, or providing approvals required by regulations.

Substantial involvement may include the following elements:

- Approval of implementation plans;
- Approval of specified key personnel—generally no more than five leadership positions or 5 percent of employees working under the award; and
- Collaboration between USAID and the partner. The Agreement Officer may authorize collaboration when USAID’s technical knowledge might help recipients succeed. Some examples of joint participation include selection of advisory committee members, establishment of sub-awards, or review of a partner’s monitoring and evaluation plans.

For more information, see ADS Chapter 303, Section 3.11.

SLIDE 17: Leader with Associate (LWA) Awards

A Leader with Associate Award represents a group of assistance awards that start with a Leader Award to a prime recipient. After the Leader with Associate Award is issued, USAID can add Associate Awards.

- Associate Awards are related to the Leader Award and slightly tailored to a particular Mission’s or Bureau’s particular needs.
- Both the prime recipient and associates can work with smaller or local organizations through sub-awards.

- Note that Leader and Associate Awards each have their own budgets and periods of performance. These periods cannot exceed five years.

SLIDE 18: Example of Leader with Associate Awards

The relationship between Leader Awards and their sub-recipients can seem confusing, so we break it down here to make it simple.

In this flowchart, you see the main award—the Leader Award. It looks like this prime recipient designated three Associate Awards as represented by the boxes below it. One of the Associate Awards is working with two small, local organizations that received sub-awards.

In addition, to the right of the Leader Award, you see that the prime or lead recipient also is working directly with two sub-awardees in the community.

In some cases, the sub-awards are proactively solicited, and, in some cases, local organizations, Missions, or Bureaus request funds from the prime recipient or its associates.

SLIDE 19: Assistance Awards Summary

This completes an overview of the different types of assistance awards. To summarize, assistance awards:

- Are funded by USAID to accomplish a public good;
- They include grants, cooperative agreements, and leader-with-associate awards; and
- They must follow USAID rules and other U.S. Government regulations. We encourage new USAID partners to get familiar with Title 2 of the Code of Federal Regulations (2 CFR 200). These are where you can find the actual rules for assistance, and you should be familiar with these rules if you manage a grant with the U.S. Government.

You can also find additional policy guidance in the ADS, Chapter 303.

SLIDE 20: Sub-award Opportunities

In this next section, we will review sub-award opportunities for both acquisition and assistance funding opportunities. These are important for new partners, because many partners begin working with USAID as sub-awardees of prime awards.

SLIDE 21: Sub-awards

In general terms, a sub-award goes to a partner implementing an Activity under the direction of a USAID prime award recipient. A sub-award can be in the form of a grant, cooperative agreement, or contract, depending on what is allowed under the prime recipient's agreement with the Agency.

The same rules apply to both prime and sub-award recipients.

It is important to note that USAID does not maintain a direct relationship with sub-awardees. The prime recipient is responsible for the performance of sub-awardees and is accountable to the Agency. A prime recipient may use an established sub-award selection process, which may include issuing its own Request for Applications or Proposals.

And remember that the type of award determines whether profit is allowed. For example, if you hold a sub-grant under any type of prime contract, you may never charge profit. On the other hand, the prime recipient may pay a fair and reasonable profit to sub-contractors that provide goods and services under a sub-contract.

Finally, USAID must approve almost all sub-awards, either when an organization is selected for an award or on an as-needed basis after a prime award is in place.

SLIDE 22: Grants under Contract

You may notice that some USAID contractors issue Grants under Contract (or GUCs). In these cases, USAID may use the services of contractors to manage grants programs and administer a number of smaller awards on its behalf. This is often done to further expand USAID's partner base and develop local capacity.

A grant under contract must meet a few conditions:

- First, the total value of an individual grant to a U.S. organization must not exceed \$100,000. (This limitation does not apply to local non-U.S.-based organizations.)
- Second, the grant under contract must enable USAID to achieve local capacity development objectives.
- Third, it must help USAID develop relationships with new, inexperienced or underutilized partners. With this type of contract, USAID remains significantly involved in establishing selection criteria and must approve grant-under-contract recipients.

For new, inexperienced and underutilized partners, GUCs can be a great gateway to USAID funding. In addition, contractor grant programs may provide technical assistance, training, and other benefits to help sub-awardees develop their capacity.

- In addition, the Agency must ensure that the contractor will meet all requirements that apply to USAID-executed grants.
- Finally, USAID must retain the ability to terminate all grant activities in extraordinary circumstances.

The contractor may advertise potential GUCs through newspapers, professional associations, or websites. For more details about GUCs, go to ADS Chapter 302, Grants Under Contract.

SLIDE 23: Sub-contracting/Teaming

In many cases, USAID's acquisition and assistance activities require specialized skills from a number of different partners.

For example, to help reform education in a post-conflict country, a single organization may not have all of the professional skills, services, and experience the Agency needs. In a case like this, organizations with complementary skills may form a team to apply for an award, or they may establish sub-contracting arrangements to achieve the overall development goals.

USAID encourages organizations to partner with small businesses and local partners to the greatest extent possible.

You can find resources for partnering with organizations engaged in USAID work in several places, including:

- The Small Business Association for International Contractors;
- The Professional Services Council;
- Inside NGO, an international NGO community working to strengthen operational teams and leadership;
- The Society for International Development; and
- Humentum, a global non-profit organization working to strengthen organizational capability.

Also you will find recent prime and sub-award recipients at [USASpending.gov](https://www.usaspending.gov). Click on Award Search in the top menu and select Keyword Search. Enter “USAID” in the search box to see award types, amounts, and recipient organizations.

SLIDE 24: The Award Process

This concludes our discussion of different types of USAID contracts and assistance awards. Remember, you can find reference material in the “Resources” section. Now, we will share information about USAID's award process.

SLIDE 25: Key Phases of the Award Process

The key phases of USAID's award process, for any category of award, include planning, solicitation, award, and then administration and monitoring:

- In the planning phase, USAID designs the Activity, identifies requirements and the appropriate type of award, and conducts market research.

- In the solicitation phase, the Agency publishes the funding opportunity, which we will talk about next.
- After evaluation of all applications or proposals, USAID announces the chosen recipient or contractor and awards an agreement.
- After an award is issued, USAID administers and monitors the partner's progress.

SLIDE 26: Solicitations

A solicitation is an announcement about a USAID funding opportunity. Solicitations for acquisition and assistance funding opportunities generally provide three critical details:

- First, they include a program description or statement of work;
- Second, they outline the application or proposal submission requirements—these requirements tell you what documents and information must be submitted by what deadlines, as well as which organizations are eligible to apply; and
- Third, they define evaluation criteria for this solicitation, which is how the applications or proposals will be evaluated.

There are different types of solicitations.

Contracts are solicited through Requests for Proposals (RFPs). Task orders under an Indefinite Delivery, Indefinite Quantity contract are issued under an RFTOP (Request for Task Order Proposal). The contractor prepares a proposal and, if selected by USAID, it will result in a contract or task order between the contractor and the government.

Grants and cooperative agreements are solicited through a Notice of Funding Opportunity (or NOFO). You may also see use of a Request for Applications (RFAs), which results in a grant or cooperative agreement. If an applicant wins the award, they will sign an agreement with USAID.

Broad Agency Announcements seek innovative ideas in response to a particular challenge or need. BAAs provide an opportunity for you to work with USAID in a “co-creation” process to develop ideas with other partners.

For more detailed information about types of solicitations and where to find them, visit the “Exploring USAID Funding Opportunities” training module.

For now, let us take a quick look at each of these opportunities.

SLIDE 27: Requests for Proposals (RFPs)

Requests for Proposals (or RFPs) are issued only for contract opportunities.

Contracts may be awarded to any type of private organization.

This type of solicitation is frequently used by for-profit organizations, but both for-profit and nonprofit organizations may apply for contracts through RFPs.

RFPs are posted at beta.SAM.gov.

SLIDE 28: Annual Program Statements (APS)

Now, we'll look at details of U.S. Government assistance solicitations, which result in grants and agreements. The first type of assistance solicitation is an Annual Program Statement (or APS).

For this type of solicitation, USAID allows multiple awards over a period of time.

The APS does not typically have funding of itself, but funding is made available through rounds or addenda attached to the APS.

USAID generally accepts and reviews applications on a rolling basis during a defined period (such as a year), and encourages potential partners to propose innovative approaches to address a specific challenge.

Each grant or agreement may include a funding ceiling, but applications may be accepted for any amount up to the maximum and for variable periods.

Usually, USAID will set a total overall budget for the solicitation. Once those funds are committed, or after one year, the call for applications is closed.

Annual Program Statements are posted at Grants.gov.

Also note that USAID Missions, Bureaus, and Technical Offices can issue addenda under an APS. An addendum may highlight specific development objectives and programs that the Mission, Bureau, or Technical Office would like to support under a main APS. A main APS is sometimes referred to as a "global APS." Concept papers proposed in response to addenda must comply with the terms and criteria outlined in the main APS.

SLIDE 29: Notice of Funding Opportunity (NOFO)

This type of solicitation is the most common means of soliciting applications from NGOs. A Notice of Funding Opportunity (NOFO) invites interested partners to submit competitive applications for USAID assistance awards.

NOFOs are used for grants, cooperative agreements, and Leader with Associate Awards. Note that the funding announcement for a Leader with Associate Award must include an estimate of the total dollar amount of the anticipated associate awards.

The scope of a NOFO may vary from specific activities to very broad terms.

The minimum period for receipt of applications is 30 days after the NOFO is issued. USAID may provide longer response periods for sizable activities or more detailed applications to ensure high-quality applications.

Notices of Funding Opportunities are posted at [Grants.gov](https://www.Grants.gov).

SLIDE 30: Multistage Competitions

For either contracts or grants solicitations, USAID may establish a tiered competition system, which is called a multistage competition. This is most often used when a large number of partners are expected to apply. You should note that the Agency may use a multistage competition process under an Annual Program Statement (or APS) or a Notice of Funding Opportunity (or NOFO).

A multistage competition involves several application steps. In this example, in Stage 1, USAID asks potential applicants to submit a short concept paper describing a proposed project at a high level with a simplified budget. During review, the U.S. Government reviews concept papers and allows a limited number of applicants to move forward in the process. In Stage 2, all applicants are asked to submit detailed technical applications and budgets.

This process gives organizations an excellent opportunity to enter a competition without committing the time and resources needed for a full application.

SLIDE 31: Award Announcements

USAID posts award announcements at [USASpending.gov](https://www.USASpending.gov) once an acquisition award is issued to a contractor. You can also visit [USASpending.gov](https://www.USASpending.gov) to find out which organizations are recipients of assistance awards.

It is critical for applicants to form partnerships with other organizations at an early stage in the application process for both acquisition and assistance awards. This is especially important if you wish to be included as a potential sub-awardee in response to a solicitation. However, if a prime applicant you teamed with does not receive the award, you may want to reach out to others who are listed in award announcements to explore other additional or future sub-award opportunities.

For more details about how to market your organization and develop team arrangements, please view our “Forming Sub-Award Partnerships” module.

SLIDE 32: Communication Tools

USAID Contracting Officers (or COs) and Agreement Officers (or AOs) and other staff members may communicate with organizations in a variety of ways during the planning stage, solicitation period, or award stage of a grant or contract. To explain what you can expect in the way of communication, we will now review the different tools used for partner communication.

SLIDE 33: Communication during Planning

Before USAID posts a contract opportunity on beta.SAM.gov or a grant opportunity on Grants.gov, the Agency may communicate with potential partners using the following tools in the planning stage:

- Draft statements of work or program descriptions help the Agency leverage development solutions from the partner community. These are usually issued through a Request for Information (or an RFI).
- During the project design stage, USAID may use pre-solicitation meetings that are for the purpose of market research. This research may seek ideas from industry and development partners to understand challenges and resources available.
- Finally, Requests for Information (or RFIs) give the Agency a way to gauge partner interest and help conduct market research.

Notices for these types of partner communication tools, as well as post-conference questions and answers, may be posted on beta.SAM.gov or Grants.gov.

Contracting Officers (or COs) and Agreement Officers (or AOs) are the ones who determine whether USAID will use any of these partner communication tools. Generally, the larger and more complex the award, the more likely one or more of these tools will be used.

SLIDE 34: Communication during Solicitation

Although not common, USAID may decide to hold additional conferences—called Bidders' Conferences—at any time during the solicitation stage of the award process.

These conferences are held after the Agency posts a funding opportunity and before the solicitation closes. The purpose is to answer questions from interested partners.

These conferences may be conducted by the CO or AO, their representatives, or other USAID officials.

These events also provide an opportunity for interested partners to meet other partners and develop relationships or teaming arrangements.

Notices at beta.SAM.gov or Grants.gov list conference locations. If you are unable to attend in person, you may be able to connect via teleconference or webinar.

Written materials may be placed online for all participants (including any resulting question-and-answer documents).

SLIDE 35: Communication during Contract Award Stage

The primary tool for communications prior to the award stage is negotiations with offerors and depends on the procurement method used by the Agency.

USAID acquisition rules provide for debriefings or communication during the award stage. Debriefings are a good opportunity for offerors to learn how to prepare excellent responses to future USAID contract solicitations. An offeror may request a debriefing after receiving news about the status of their proposal.

We recommend that you take advantage of these debriefings. Both successful and unsuccessful offerors can request debriefings.

During a debriefing, you may ask the technical evaluation committee chair to explain the basis for the decision and the strengths and weaknesses of your proposal in terms of the published evaluation and review criteria.

A debriefing may be conducted in person or via letter, teleconference, or webinar.

To request a debriefing after receiving solicitation news, write to the contact listed in the solicitation.

For contracts, the request should be made within three days of receipt of the notice of exclusion from the competition. USAID does not provide debriefings under their assistance rules.

For additional policy guidance on contract debriefings, see the Federal Acquisition Regulations (or FAR), sections 15.505 and 15.506.

SLIDE 36: Competition Rules

In the last section of this module, we will share some of the competition rules you must follow.

SLIDE 37: Competition

Competition is important for excellence. It results in innovation, diversity, creativity, better solutions, higher-quality activities, and better value. Unless an exception applies, USAID must award all contracts, grants, and cooperative agreements competitively.

To be fair and as transparent as possible, the U.S. Government avoids actions that give one organization an unfair advantage over another.

- If you ask the U.S. Government a question about a particular solicitation, it will provide an answer only if it does so to all other applicants.

USAID seeks competition whenever it announces a funding opportunity:

- For grants and cooperative agreements, the Agency invites competition through a Notice of Funding Opportunity (or NOFO) and Annual Program Statements (or APSs).
- For contracts, the Agency invites competition through Requests for Proposals (or RFPs). With limited exception, acquisition rules require the use of full and open competition.

SLIDE 38: Exceptions to Competition and Eligibility Limitations

As a rule, USAID makes competition a part of every acquisition and assistance award solicitation. However, there are a few exceptions. Exceptions to competition must be specific and well-documented.

There are two separate concepts to bear in mind. First, exceptions to competition generally apply to acquisition (contracts). Second, there are limitations on eligibility, which the Agency generally uses for assistance (grants and cooperative agreements).

Unrestricted eligibility refers to a funding opportunity that is open to all entities. It is USAID policy to allow all eligible organizations to compete for assistance awards unless there is a strong programmatic rationale to restrict eligibility that outweighs the benefits of a competitive process. The Agency may make exceptions for organizations that have little or no experience working with USAID. Examples of exceptions to competition may include awards that involve:

- Local competition;
- Transition awards;
- Small grants; or
- New entrants.

The Agency may determine restrictions on eligibility based on a written determination to increase the Agency's partner base, develop the capability of a local entity or locally established entity, access specialized skills or experience, or to respond to a disaster, violent conflict, political crisis, or other emergency situation that requires an award to be made rapidly.

For additional policy guidance on exceptions to competition and eligibility limitations, take a look at ADS 303.3.6.4 and ADS 303.6.5 for more information.

Remember, every solicitation includes critical details about an award, so read it carefully!

SLIDE 39: Small Business Set-Asides

USAID works with the U.S. Small Business Administration to set goals for small business participation in prime contracts and sub-contracts. A small business set-aside is the “reserving” of an acquisition exclusively for participation by small businesses. This does not include non-U.S. small businesses. The 8(a) Business Development Program, commonly referred to as the 8(a) Program, was developed to help small businesses compete in the American economy and access the federal procurement market.

A small and disadvantaged business (SDB) is a small business entity owned and controlled by a socially and economically disadvantaged individual and is at least 51 percent owned by one or more socially and economically disadvantaged individuals.

A Historically Underutilized Business Zone (HUBZone) is a small business owned and controlled 51 percent or more by one or more U.S. citizens. This contracting program is intended to encourage the award of contracts to small businesses located in historically underutilized business zones to increase employment opportunities, investment, and economic development in those areas.

You may visit the beta.SAM.gov website to confirm if an entity is registered to conduct business with the Federal Government and to confirm its size or small business status.

Learn more through the Office of Small and Disadvantaged Business Units (or OSDBU) and the USAID Small Business Program. A link to more information is provided in the “Resources” section.

SLIDE 40: Unsolicited Proposals and Applications

Finally, we would like to make a few points about unsolicited submissions. The Agency often receives submissions it cannot process because they are not submitted in response to an existing solicitation.

Only in highly exceptional cases can the Agency fund unsolicited submissions. Note that the criteria for unsolicited submissions are quite stringent. Unsolicited submissions must be for new, unique, and innovative activities that cannot otherwise be funded through competitive methods.

USAID believes it is better to issue competitive acquisition and assistance awards whenever possible. This helps ensure the best value and strongest solutions from partners that can deliver the desired results.

If you would like more information, please visit USAID.gov for information on how to submit unsolicited contract proposals and unsolicited assistance applications.

You can also learn more in the “Effectively Responding to a USAID Award Solicitation” module in this series.

SLIDE 41: Summary

Let's review some of the key points we shared about acquisition and assistance awards in this module.

In today's presentation, we first discussed acquisition awards. Acquisition awards result in contracts. The two main types include cost-reimbursement contracts and fixed-price contracts. To be considered for a contract, you must submit a proposal. With contracts, the U.S. Government is a buyer of goods or services from a contractor. Through regular technical direction, USAID is typically more involved in contracts than in grants or cooperative agreements.

Then we talked about assistance awards. Assistance awards result in grants and cooperative agreements. With these types of awards, the U.S. Government is a financial supporter of a program designed to accomplish a public good. To be considered for a grant or cooperative agreement, you must submit an application. With grants, USAID oversight is primarily on monitoring grant activities. With cooperative agreements, USAID has limited, predefined elements of involvement as stated in the agreement under the "substantial involvement" section.

Competition is important for excellence. It results in innovation, diversity, creativity, better solutions, higher-quality activities, and better value. For grants and cooperative agreements, the Agency invites competition through a Notice of Funding Opportunity (or NOFO) and Annual Program Statements (or APS).

For contracts, the Agency invites competition through Requests for Proposals (or RFPs). With limited exception, acquisition rules require the use of full and open competition.

SLIDE 42: Resources

We covered a lot of information in this training module. Here, we provide some resources to help you understand USAID awards in more detail, as well as some specific policies surrounding acquisition and assistance.

SLIDE 43: Thank You

Thank you for participating in our training module on "Understanding USAID Awards." We hope it provided helpful information that will support you as you consider what types of awards would best suit your organization's skills and experience as you plan to work with USAID.

SLIDE 44:Acknowledgement

This module was produced by the United States Agency for International Development. The presentation team is composed of staff from USAID and the Partnerships Incubator.

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Please email any feedback you may have to IndustryLiaison@usaid.gov.